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Board of Investment's Acceleration Measures for 2021

Introduction

On 21 December 2020, Thailand's Board of Investment ("BOI") approved a series of investment acceleration measures to stimulate Thailand's economy and encourage businesses to adopt digital technologies in 2021. A notification containing details of the measures is yet to be issued. The additional incentives to accelerate investment include a corporate tax exemption and large tax deductions, with each investment acceleration measure providing different privileges, as summarised below.

Large Scale Project in Target Industry

Investments in certain target industries (business activities in groups A1¹, A2² and A3³) with a realised investment of at least THB 1 Billion (approximately USD 30 million) within 12 months from the date on which the BOI promotion certificate is issued would be entitled to an additional 50% corporate income tax ("CIT") deduction for a period of 5 years. This is in addition to the standard CIT exemption period of 5 – 8 years which is generally granted by the BOI. Eligible applicants may apply for this investment promotion scheme before 30 December 2021.

Special Economic Zones and Five Southern Provinces

The BOI has extended the application period for the special incentive scheme for the Special Economic Zones (SEZ) in ten provinces, comprising Kanchanaburi, Chiang Rai, Trat, Tak, Nakhon Phanom, Narathiwat, Mukdahan, Songkhla, Sa Kaeo and Nong Khai, to the last working day of 2022. In addition, the BOI is offering an 8-year CIT exemption and an additional 50% CIT deduction for another 5 years for 14 target industries, which include medical equipment manufacturing, logistics and electrical appliances and electronics.

¹ Activities in Group A1 are knowledge-based activities focusing on R&D and design to enhance the country's competitiveness, such as electronics design, creative product design and development center.

² Activities in Group A2 are infrastructure activities for the country's development, activities using advanced technology to create value added, such as the manufacture of medical food or food supplements and the manufacture of fuel from agricultural products.

³ Activities in Group A3 are high technology activities which are important to the development of the country, such as deep sea fishery and the trading center for agricultural goods.

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Similarly, the BOI has also extended the application period (until the last working day of 2022) for the special incentive scheme for Thailand's southernmost five provinces, comprising Narathiwat, Yala, Pattani, Satun and four districts in Songkhla. The measures include a low minimum investment requirement of THB 500,000, an 8-year CIT exemption and an additional 50% CIT deduction for another 5 years.

Genomics Special Economic Zone

The Genomics Thailand project located in Burapha University is newly established as a promoted zone for special activities (examples of promoted zones include Eastern Airport City and Digital Park Thailand). The BOI is offering a CIT exemption for a period of 5-8 years and the additional 50% CIT deduction for another 2 years for investments made in such promoted zones.

Adoption of Digital Technology

In order to promote the integration of digital technology into the operation of new or existing investments, the BOI has offered to grant a CIT exemption for 50% of the investment value for a period of 3 years to the qualified investments. Examples of digital technologies include big data, data analytics and artificial intelligence (AI). Eligible applicants may apply for this investment promotion scheme until the last working day of 2022.

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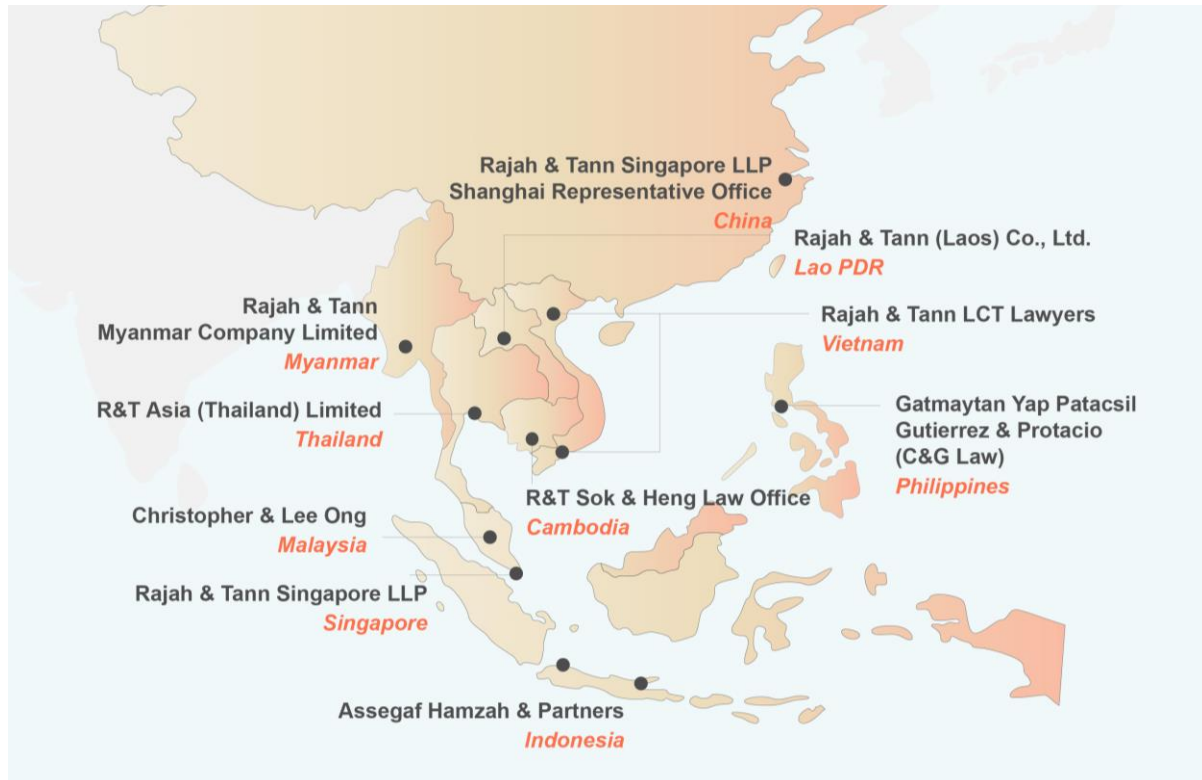
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